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From:

Sent: Tuesday, April 24, 2012 8:34:50 AM

To:

Cc:

Subject: RE: TEFRA Question

Whether the debt from a partner to the partnership became worthless would be determined in the partnership proceeding. Not a later partner proceeding.

Assuming that it is ultimately determined that debt exists and that it is not worthless, we would have one year following the partnership proceeding to make the resulting assessment of the partner's bad debt deduction under section 6229(d). Section 6229(f) has no application to your facts since you have not stated any facts that would cause the partner's items to convert to nonpartnership items.